



*"To enrich lives through effective and caring service"*



**Stan Wisniewski**  
Director

**Kerry Silverstrom**  
Chief Deputy

June 13, 2006

The Honorable Board of Supervisors  
County of Los Angeles  
383 Kenneth Hahn Hall of Administration  
500 West Temple Street  
Los Angeles, California 90012

Dear Supervisors:

**ADOPTION OF RESOLUTION ACCEPTING A GRANT FROM THE MOBILE SOURCE  
AIR POLLUTION REDUCTION REVIEW COMMITTEE FOR PURCHASE OF  
ALTERNATIVE FUEL MEDIUM DUTY VEHICLES UNDER THE ALTERNATIVE FUEL  
LOCAL GOVERNMENT MATCH PROGRAM  
(3<sup>rd</sup> DISTRICT)  
(3 VOTES)**

**IT IS RECOMMENDED THAT YOUR BOARD:**

1. Find that this action is exempt from the provisions of the California Environmental Quality Act.
2. Adopt the attached Resolution (Attachment I) authorizing the acceptance of a grant in the amount of \$50,000 from the Mobile Source Air Pollution Reduction Review Committee's Local Government Match Program offered by the Southern California Air Quality Management District (SCAQMD) to assist the Department in the purchase of five alternative fuel-powered vehicles.
3. Authorize the Director of the Department of Beaches and Harbors to execute the accompanying contract (Attachment II) to accept grant funding in the amount of \$50,000 for the purchase of five alternative fuel-powered vehicles.

**PURPOSE/JUSTIFICATION OF RECOMMENDED ACTION**

The Mobile Source Air Pollution Reduction Review Committee (MSRC) from SCAQMD has offered the Department a \$50,000 grant under the Local Government Match Program to assist in the purchase of five compressed natural gas (CNG) pickup trucks, which will be used to clean County owned and/or operated beaches in the northern part

of the County, along Pacific Coast Highway from Nicholas Canyon to Will Rogers State Beach. This subvention allows the Department to purchase new, more expensive, alternative fuel-powered vehicles for the same amount as it would normally spend on comparable gas or diesel versions of the same vehicles. It also enables the Department to continue to convert its beach maintenance vehicle fleet from diesel to CNG fuel in order to reduce the emission of harmful air pollutants and fuel costs.

Your Board has been supportive of the use of alternative fuel vehicles for over a decade now. On January 10, 1995, your Board established a clean air policy to improve air quality in the South Coast Basin through the expanded use of clean fuels with the goal of transitioning as many vehicles to clean fuels as possible within the limits of service delivery requirements and funding capabilities. On April 6, 1999, your Board approved a recommendation to support two legislative measures to extend motor vehicle registration fee authority to August 1, 2004 to encourage participation of projects that increase utilization of clean-burning fuels.

On June 16, 2000, SCAQMD promulgated rule 1191, which requires all government agencies located in the District "to acquire low-emitting gasoline or alternative-fuel vehicles to reduce air toxic and criteria pollutant emissions when procuring or leasing these vehicles in the District." To assist government agencies in complying with this rule 1191, the MSRC, an arm of the SCAQMD, provides grant funds to partially offset the costs of alternative fuel-powered vehicles, which are generally more expensive than traditionally-powered vehicles.

#### Implementation of Strategic Plan Goals

The acceptance of this \$50,000 grant to assist in the purchase of alternative fuel-powered vehicles supports the County's strategic plan goal of Service Excellence by improving the quality of life for residents of Los Angeles County, given that gasoline and diesel-powered vehicles account for 70% of the smog-forming emissions in Southern California and 90% of the risk associated with air toxics.

#### **FISCAL IMPACT/FINANCING**

The total cost of the vehicles amounts to \$200,000, \$50,000 of which will be covered by the subsidy available through the MSRC grant. Sufficient funding exists in the Department's FY 05-06 Adopted Budget to cover this cost.

Additionally, the Department will save approximately \$20,000 through vendor purchase incentives associated with purchasing alternative fuel-powered vehicles over the standard gasoline or diesel-powered vehicles. Finally, the Department also expects to experience a substantial annual savings in fuel costs, as CNG fuel is currently approximately one dollar per gallon less than a gallon of gasoline or diesel fuel.

### **FACTS AND PROVISIONS/LEGAL REQUIREMENTS**

According to the U.S. Department of Energy, natural gas has a proven record of excellence as a vehicle fuel. Unlike gasoline and diesel fuel, natural gas is relatively inexpensive and domestic supplies are abundant (with U.S. gas reserves at 3,062 billion cubic feet in October 2005) and capable of serving transportation energy needs for generations to come. It is also the cleanest burning fuel for vehicles powered by internal combustion engines. Commercially available medium and heavy-duty natural gas engines have demonstrated over 90% reduction of carbon monoxide and particulate matter and more than 50% reduction in nitrogen oxides, relative to commercial diesel engines.

In order to ensure CNG fueling sites for the new CNG vehicles, the Department has also been awarded two separate grants, totaling almost \$1 million, from the MSRC for the installation of natural gas refueling stations at Will Rogers State Beach and Zuma County Beach. These grants also include funding for the purchase of additional CNG vehicles. As soon as the Department receives the MSRC contracts for these infrastructure grants and County Counsel reviews them as to form, we will submit a separate Board letter, Resolutions, and contracts for your Board's approval.

In order to obtain the awarded MSRC grant funds, your Board must execute the attached Resolution. County Counsel has reviewed and approved the Resolution as to form.

County Counsel has also reviewed as to form the attached contract between the Department and the SCAQMD. The term of the Contract is 12 months from the date of execution by both parties unless terminated earlier under provisions provided.

### **ENVIRONMENTAL DOCUMENTATION**

Acceptance of the MSRC grant for the purchase of CNG fueled vehicles is not a "project" as defined by the Guidelines for CEQA, Section 15378, Title 14 of the California Code of Regulations. Acceptance of the grant does not involve the

The Honorable Board of Supervisors  
June 13, 2006  
Page 4

commitment by the County to any specific project that may result in a potentially significant physical impact on the environment.

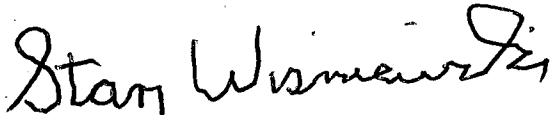
**IMPACT ON CURRENT SERVICES (OR PROJECTS)**

The adoption of the Resolution will have no negative effect on the Department's current projects. An important aim of the Department is to transition its vehicle fleet from gasoline and diesel power to CNG, which approval of this resolution will serve to further.

**CONCLUSION**

Authorize the Executive Officer of the Board to send four conformed copies of the Resolution to the Department of Beaches and Harbors, along with three approved copies of this letter.

Respectfully submitted,

A handwritten signature in black ink, appearing to read "Stan Wisniewski". The signature is fluid and cursive, with a large initial "S" and a stylized "W".

Stan Wisniewski  
Director

SW:JJC:LMN

Attachments: (2)

- c. Chief Administrative Officer  
County Counsel

**RESOLUTION OF THE LOS ANGELES COUNTY BOARD OF SUPERVISORS  
ACCEPTING A GRANT IN THE AMOUNT OF \$50,000 FROM THE MOBILE SOURCE  
AIR POLLUTION REDUCTION REVIEW COMMITTEE (MSRC)**

WHEREAS, air pollution in the South Coast Air Basin can be reduced through the transition from gasoline and diesel-powered vehicles to compressed natural gas (CNG) powered vehicles;

WHEREAS, it is to the benefit of the County of Los Angeles to protect the air of the South Coast Air Basin for the benefit and enjoyment of all who live, work and play there;

WHEREAS, the County of Los Angeles has made it a priority to convert its fleet vehicles to alternative fuel-powered technology, including CNG, where possible;

WHEREAS, the Department of Beaches and Harbors has resolved to participate in the reduction of air pollutants associated with its daily use of beach maintenance equipment by converting its fleet vehicles to CNG;

WHEREAS, CNG is an abundant resource in the local area and remains less costly than gasoline and diesel fuel for comparable performance;

WHEREAS, the cost of purchasing CNG vehicles is generally higher than the cost of purchasing traditional gas and diesel-powered vehicles;

WHEREAS, grant funds from the MSRC will enable the Department to purchase CNG vehicles by subvening the extra cost of these alternative fuel vehicles; and

WHEREAS, the MSRC provides grants to cities and counties for the purchase of CNG and other clean fuel vehicles.

NOW, THEREFORE, BE IT RESOLVED that the Los Angeles County Board of Supervisors accepts the MSRC grant award of \$50,000 to fund purchase of light to medium-duty CNG vehicles for the Department of Beaches and Harbors; and

BE IT FURTHER RESOLVED that the Director of Beaches and Harbors is authorized to sign all necessary documents to accept the grant for the purpose of funding the purchase of CNG vehicles and to act as lead agent for the County when conducting business with the MSRC on any and all matters related to the grant, including committing to the project implementation schedule reflected in the grant application.

The foregoing Resolution (for contract number ML05007) was adopted on the \_\_\_\_\_ day of \_\_\_\_\_ 2006, adopted by the Board of Supervisors of the

Honorable Board of Supervisors  
MSRC Resolution  
Page 2

County of Los Angeles and ex officio the governing body of all other special assessment and taxing districts, agencies and the authorities for which said Board so acts.

Sachi A. Hamai  
Executive Officer-Clerk  
of the Board of Supervisors

By: \_\_\_\_\_  
Deputy

APPROVED AS TO FORM:

RAYMOND G. FORTNER, JR.  
County Counsel

By   
Deputy



**South Coast  
Air Quality Management District**

Contract No. ML05007



**LOCAL GOVERNMENT MATCH PROGRAM CONTRACT**

1. **PARTIES** - The parties to this Contract are the South Coast Air Quality Management District (hereinafter referred to as "AQMD") whose address is 21865 Copley Drive, Diamond Bar, California 91765-4178, and County of Los Angeles Department of Beaches and Harbors (hereinafter referred to as "CONTRACTOR") whose address is 13837 Fiji Way, Marina del Rey, California 90292.
2. **RECITALS**
  - A. AQMD is the local agency with primary responsibility for regulating stationary source air pollution in the South Coast Air Basin in the State of California (State). AQMD is authorized under State Health & Safety Code Section 44225 (Assembly Bill (AB) 2766) to levy a fee on motor vehicles for the purpose of reducing air pollution from such vehicles and to implement the California Clean Air Act.
  - B. Under AB 2766 the AQMD'S Governing Board has authorized the imposition of the statutorily set motor vehicle fee. By taking such action the State's Department of Motor Vehicles (DMV) is required to collect such fee and remit it periodically to AQMD.
  - C. AB 2766 further mandates that thirty (30) percent of such vehicle registration fees be placed by AQMD into a separate account for the sole purpose of implementing and monitoring programs to reduce air pollution from motor vehicles.
  - D. AB 2766 creates a regional Mobile Source Air Pollution Reduction Review Committee (MSRC) to develop a work program to fund projects from the separate account. Pursuant to approval of the work program by AQMD'S Governing Board, AQMD Board authorized a contract with CONTRACTOR for services described in Attachment 1 - Work Statement, expressly incorporated herein by this reference and made a part hereof of this Contract.
  - E. CONTRACTOR has met the requirements for receipt of AB 2766 Discretionary Funds as set forth in CONTRACTOR'S Local Government Match Program Application dated September 20, 2004.
3. **DMV FEES** - CONTRACTOR acknowledges that AQMD cannot guarantee the amount of fees to be collected under AB 2766 will be sufficient to fund this Contract. CONTRACTOR further acknowledges that AQMD'S receipt of funds is contingent on the timely remittance by State's DMV. AQMD assumes no responsibility for the collection and remittance of motor vehicle registration fees by DMV to AQMD in a timely manner.
4. **AUDIT** - Additionally, CONTRACTOR shall, at least once every two years, or within two years of the termination of the Contract if the term is less than two years, be subject to an audit by AQMD or its authorized representative to determine if the revenues received by CONTRACTOR were spent for the reduction of pollution from Motor Vehicles pursuant to the Clean Air Act of 1988. AQMD shall coordinate such audit through CONTRACTOR'S audit staff. If an amount is found to be inappropriately expended, AQMD may withhold revenue from CONTRACTOR in the amount equal to the amount which was inappropriately expended. Such withholding shall not be construed as AQMD'S sole remedy and shall not relieve CONTRACTOR of its obligation to perform under the terms of this Contract.

## 5. REPORTING

- A. PROGRESS REPORTS - A concise *Interim Report* will be submitted at the approximate halfway point in the overall project schedule. The Interim Report should include the following topics, at a minimum: a) tasks completed; b) issues or problems encountered; c) resolutions implemented; and d) progress to date. Any modifications, whether already implemented or planned, to the project description/statement of work, project costs, or project schedule, should be highlighted in the Interim Report.
  - B. FINAL REPORT - CONTRACTOR shall provide AQMD with a comprehensive final report prior to the end of the Contract term. The final report shall be subject to review by the MSRC and approval by AQMD. One letter-size paper copy and one electronic version in Microsoft Word format shall be provided to AQMD. The final report shall be complete and include illustrations and graphs, as appropriate, to document the work performed and the results thereof under this Contract.
6. TERM - The term of this Contract is twelve (12) months from the date of execution by both parties, unless terminated earlier as provided for in Clause 7 below entitled Termination, extended by amendment of this Contract in writing, or unless all work is completed and a final report is submitted and approved by AQMD prior to the termination date. No work shall commence prior to the Contract start date, except at CONTRACTOR'S cost and risk, and no charges are authorized until this Contract is fully executed. Upon written request and with adequate justification from CONTRACTOR, the MSRC Contracts Administrator may extend the Contract up to an additional six months at no additional cost. Term extensions greater than six months must be reviewed and approved by the MSRC.
  7. TERMINATION - In the event any party fails to comply with any term or condition of this Contract, or fails to provide the services in the manner agreed upon by the parties, including, but not limited to, the requirements of Attachment 1 - Work Statement, this shall constitute a material breach of the Contract. The nonbreaching party shall have the sole and exclusive option either to notify the breaching party that it must cure this breach within fifteen (15) days or provide written notification of its intention to terminate this Contract with thirty (30) day's written notice. Notification shall be provided in the manner set forth in Clause 17 below, entitled - Notices. Termination shall not be the exclusive remedy of the nonbreaching party. The nonbreaching party reserves the right to seek any and all remedies provided by law. AQMD will reimburse CONTRACTOR for actual costs incurred (not to exceed the total Contract value), including all noncancellable commitments incurred in performance of this Contract through the effective date of termination for any reason other than breach.
  8. EARLY TERMINATION - This Contract may be terminated early due to the following circumstances: The vehicles or equipment become inoperable through mechanical failure of components or systems directly related to the alternative fuel technology being utilized and such failure is not caused by CONTRACTOR'S negligence, misuse, or malfeasance.
  9. INSURANCE - CONTRACTOR is permissibly self-insured and will maintain self-insurance in accordance with applicable provisions of California law as evidenced by certificate of self-insurance in Attachment 3, herein. CONTRACTOR shall maintain such coverage during the term of this Contract and any extensions thereof. If CONTRACTOR fails to maintain the required insurance coverage,



AQMD reserves the right to terminate the Contract or purchase such additional insurance and bill CONTRACTOR or deduct the cost thereof from any payments owed to CONTRACTOR.

10. INDEMNIFICATION - CONTRACTOR agrees to hold harmless, defend, and indemnify, AQMD, its officers, employees, agents, representatives, and successors-in-interest against any and all loss, damage, cost, or expenses which AQMD, its officers, employees, agents, representatives, and successors-in-interest may incur or be required to pay by reason of any injury or property damage caused or incurred by CONTRACTOR, its employees, subcontractors, or agents in the performance of this Contract.

11. PAYMENT

- A. AQMD shall pay CONTRACTOR a Firm Fixed Price of Fifty Thousand Dollars (\$50,000) upon completion of the project on a reimbursement basis. Any funds not expended upon early contract termination or contract completion shall revert to the AB 2766 Discretionary Fund. Payment of charges shall be made by AQMD to CONTRACTOR within thirty (30) days after approval by AQMD of an itemized invoice prepared and furnished by CONTRACTOR.
- B. An invoice submitted to AQMD for payment must be prepared in duplicate, on company letterhead, and list AQMD'S contract number, period covered by invoice, and CONTRACTOR'S social security number or Employer Identification Number and submitted to:
- South Coast Air Quality Management District  
21865 Copley Drive  
Diamond Bar, CA 91765-4178  
Attn: Cynthia Ravenstein, MSRC Contract Administrator
- C. No funds shall be paid out to CONTRACTOR pursuant to this Contract, until the project described in Attachments 1 and 2 are completed and proof of completion is provided to AQMD. If the project described in Attachments 1 and 2 are not completed and satisfactory proof of completion is not provided to AQMD, no monies shall be due and payable to CONTRACTOR. Proof of completion shall include a Final Report detailing the project goals and accomplishments.
- D. Additional AB 2766 Discretionary Match Funds will not be available to fund project cost overruns. Any project cost overruns must be funded from other than AB 2766 Discretionary Funds.
- E. The Firm Fixed Price amount of this Contract shall not exceed the total AB 2766 Funds applied to the project described in Attachments 1, 2, and 3 of this Contract.
- F. If, at the completion of the Project described in Attachment 1, the vehicle expenditures and/or infrastructure expenditures are less than the Total Cost amount(s) contained in Attachment 2, the actual amount of AB 2766 Discretionary Funds reimbursed to CONTRACTOR shall be adjusted on a prorated basis as described in Attachment 2.

12. MOBILE SOURCE EMISSION REDUCTION CREDITS (MSERCs)

- A. The MSRC has adopted a policy that no MSERCs resulting from AB 2766 Discretionary Funds may be generated and/or sold.
- B. CONTRACTOR has the opportunity to generate MSERCs as a by-product of the project if a portion of the air quality benefits attributable to the project resulted from other funding sources. These MSERCs, which are issued by AQMD, are based upon the quantified vehicle miles traveled (VMT) by project vehicles or other activity data as appropriate. Therefore, a portion of prospective MSERCs, generated as a result of AB 2766 Funds, must be retired. The portion of prospective

credits funded by the AB 2766 program, and which are subject to retirement, shall be referred to as "AB 2766-MSERCs."

- C. The determination of AB 2766-MSERC's is to be prorated based upon the AB 2766 program's contribution to the cost associated with the air quality benefits. In the case where AB 2766 Discretionary Funds are used to pay for the full differential cost of a new alternative fuel vehicle or for the retrofitting or repowering of an existing vehicle, all MSERCs attributable to AB 2766 Discretionary Funds must be retired. The determination of AB 2766-MSERCs for infrastructure and other ancillary items is to be prorated based upon the AB 2766 program's contribution to the associated air quality benefits. Determination of the project's overall cost will be on a case-by-case basis at the time an MSERC application is submitted. AQMD staff, at the time an MSERC application is submitted, will calculate total MSERCs and retire the AB 2766-MSERCs. CONTRACTOR would then receive the balance of the MSERCs not associated with AB 2766 funding.

13. DISPLAY OF MSRC LOGO - CONTRACTOR agrees to permanently display one MSRC decal in a prominent location on each vehicle purchased pursuant to this Contract. CONTRACTOR also agrees to permanently display one MSRC decal in a prominent location on each fueling or charging station constructed pursuant to this Contract. Decals will be provided by MSRC upon notification that subject fueling station equipment and/or vehicles are placed into service. Decals are approximately six (6) inches in height and eight (8) inches in width (Note: a smaller decal may be specified for electric vehicle infrastructure contracts). CONTRACTOR shall maintain decal for life of vehicle or equipment subject to this Contract. Should any decal become damaged, faded, or otherwise unreadable, CONTRACTOR shall request replacement decal from MSRC and apply new decal in the same or other prominent location. MSRC shall not be responsible for damage to paint or other vehicle surfaces arising from application or removal of decals. In addition all promotional materials related to the project, including, but not limited to, press kits, brochures and signs shall include the MSRC logo. Press releases shall acknowledge MSRC financial support for the project.

14. ACCRUAL OF MILEAGE WITHIN SOUTH COAST AIR QUALITY DISTRICT – CONTRACTOR is obligated to comply with the geographical restriction requirements as follows:

- A. Each of the vehicles funded under this Contract must accrue at least 85% of its annual mileage or engine hours of operation within the geographical boundaries of the South Coast Air Quality Management District for a period of no less than five (5) years from the date the vehicle enters service (new vehicles) or returns to service (repowered vehicles). Should CONTRACTOR deviate from or fail to comply with this obligation, for reasons other than those stated in Clause 8, CONTRACTOR shall reimburse AQMD for a prorated share of the funds provided for the vehicle as indicated in the table below:

5 year Operations Obligation Termination Occurs	Percentage of MSRC Funds to be Reimbursed
Within Year 1	100%
Between Years 1-2	80%
Between Years 2-3	60%

Between Years 3-4	40%
Between Years 4-5	20%
After Year 5	0%

- B. The appropriate reimbursable amount shall be paid to AQMD within sixty (60) days from the date the vehicle ceases to operate in accordance with the geographical restriction. CONTRACTOR shall not be responsible for any reimbursement to AQMD if the obligation is terminated as a result from one or more reasons set forth in Clause 8.
- C. Should CONTRACTOR sell, lease, transfer, assign or otherwise divest itself of the vehicles during the five year period referred to in clause 14.A, notice shall be provided to AQMD no less than 30 days preceding the sale, lease, transfer, or assignment is effectuated. The agreement effectuating the sale, lease, transfer or assignment shall state that the AQMD is an intended third-party beneficiary of the agreement and shall include the following requirement: the obligation to accrue mileage within the South Coast Air Quality Management District shall be a continuing obligation of the subsequent purchaser, lessee, transferee, successor in interest, heir or assign and shall remain in full force and effect until the expiration of the five year operation period. This obligation shall be passed down to any subsequent purchaser, lessee or transferee during this five year term and AQMD shall be an intended third-party beneficiary of any subsequent agreement. Upon receiving notice of any subsequent sale, lease, transfer, assignment or other divestiture, AQMD may elect to either require the reimbursement specified in Clause 14.A and 14.B, or require the subsequent purchaser, lessee, transferee or assignee to comply with the continuing obligation to operate the vehicle for a period of no less than five (5) years from the date the vehicle entered service (new vehicles) or re-service (re-powered vehicles). Notice of AQMD' election of remedies shall be provided to CONTRACTOR and any subsequent purchaser, lessee, transferee or assignee in a timely fashion.
- D. The obligations of this section shall survive the expiration of the Contract and continue in full force and effect until the geographical restriction period set forth above has been satisfied.
16. SCRAPPING OF OLD VEHICLES - Any AB 2766 Discretionary Fund project for the purchase of new clean fuel vehicles shall be required to scrap older, polluting vehicles which would be removed or retired from service. This clause is applicable only to AB 2766 projects which remove or retire a vehicle(s) from fleet service as a direct result of AB 2766 funding.
17. NOTICES - Any notices from either party to the other shall be given in writing to the attention of the persons listed below or to other such addresses or addressees as may hereafter be designated in writing for notices by either party to the other. A notice shall be deemed received when delivered or three days after deposit in the U.S. Mail, postage prepaid, whichever is earlier.

AQMD: South Coast Air Quality Management District  
21865 Copley Drive  
Diamond Bar, CA 91765-4178  
Attn: Cynthia Ravenstein, MSRC Contract Administrator

CONTRACTOR: County of Los Angeles Department of Beaches and Harbors  
13837 Fiji Way  
Marina del Rey, California 90292  
Attn: Joseph Chesler

18. EMPLOYEES OF CONTRACTOR

- A. CONTRACTOR warrants that it will employ no subcontractor without written approval from AQMD. CONTRACTOR shall be responsible for the cost of regular pay to its employees, as well as cost of vacation, vacation replacements, sick leave, severance pay and pay for legal holidays.
- B. CONTRACTOR shall also pay all federal and state payroll taxes for its employees and shall maintain workers' compensation and liability insurance for each of its employees.
- C. CONTRACTOR, its officers, employees, agents, or representatives shall in no sense be considered employees or agents of AQMD, nor shall CONTRACTOR, its officers, employees, agents, or representatives be entitled to or eligible to participate in any benefits, privileges, or plans, given or extended by AQMD to its employees.
- D. CONTRACTOR warrants that it has no interest and shall not acquire any interest, direct or indirect, which would conflict in any manner or degree with the performance of services required to be performed under this Contract. CONTRACTOR further represents that in performance of this Contract, no person having any such interest shall be employed by CONTRACTOR or any subcontractor.

19. NON-DISCRIMINATION - In the performance of this Contract, CONTRACTOR shall not discriminate in recruiting, hiring, promotion, demotion, or termination practices on the basis of race, religious creed, color, national origin, ancestry, sex, age, or physical handicap and shall comply with the provisions of the California Fair Employment & Housing Act (Government Code Section 12900, *et seq.*), the Federal Civil Rights Act of 1964 (P.L. 88-352) and all amendments thereto, Executive Order No. 11246 (30 Federal Register 12319), and all administrative rules and regulations issued pursuant to said Acts and Order. CONTRACTOR shall likewise require each subcontractor to comply with this clause and shall include in each such subcontract language similar to this clause.

20. ASSIGNMENT - The rights granted hereby may not be assigned, sold, licensed, or otherwise transferred by either party without the prior written consent of the other, and any attempt by either party to do so shall be void upon inception.

21. NON-EFFECT OF WAIVER - CONTRACTOR'S or AQMD'S failure to insist upon the performance of any or all of the terms, covenants, or conditions of this Contract, or failure to exercise any rights or remedies hereunder, shall not be construed as a waiver or relinquishment of the future performance of any such terms, covenants, or conditions, or of the future exercise of such rights or remedies, unless otherwise provided for herein.

22. ATTORNEYS' FEES - In the event any action (including arbitration) is filed in connection with the enforcement or interpretation of this Contract, each party in said action shall pay its own attorneys' fees and costs.

23. FORCE MAJEURE - Neither AQMD nor CONTRACTOR shall be liable or deemed to be in default for any delay or failure in performance under this Contract or interruption of services resulting, directly or indirectly, from acts of God, civil or military authority, acts of public enemy, war, strikes, labor disputes, shortages of suitable parts, materials, labor or transportation, or any similar cause beyond the reasonable control of AQMD or CONTRACTOR.
24. SEVERABILITY - In the event that any one or more of the provisions contained in this Contract shall for any reason be held to be unenforceable in any respect by a court of competent jurisdiction, such holding shall not affect any other provisions of this Contract, and the Contract shall then be construed as if such unenforceable provisions are not a part hereof.
25. HEADINGS - Headings on the clauses of this Contract are for convenience and reference only, and the words contained therein shall in no way be held to explain, modify, amplify, or aid in the interpretation, construction, or meaning of the provisions of this Contract.
26. DUPLICATE EXECUTION - This Contract is executed in duplicate. Each signed copy shall have the force and effect of an original.
27. GOVERNING LAW - This Contract shall be construed and interpreted and the legal relations created thereby shall be determined in accordance with the laws of the State of California. Venue for resolution of any dispute shall be Los Angeles County, California.
28. PRECONTRACT COSTS - Any costs incurred by CONTRACTOR prior to CONTRACTOR receipt of a fully executed Contract shall be incurred solely at the risk of the CONTRACTOR. In the event that a formal Contract is not executed, neither the MSRC nor the AQMD shall be liable for any amounts expended in anticipation of a formal Contract. If a formal Contract does result, precontract cost expenditures authorized by the Contract will be reimbursed in accordance with the cost schedule and payment provision of the Contract.
29. CHANGE TERMS - Changes to any part of this Contract must be requested in writing by CONTRACTOR, submitted to AQMD and approved by MSRC in accordance with MSRC policies and procedures. Requests to expend funds above the Contract value stated in Clause 11.A must be approved prior to the expenditure of additional funds. CONTRACTOR must make such request a minimum of 90 days prior to desired effective date of change. All modifications to this Contract shall be in writing and signed by both parties.
30. ENTIRE CONTRACT - This Contract represents the entire agreement between the parties hereto related to CONTRACTOR providing services to AQMD and there are no understandings, representations, or warranties of any kind except as expressly set forth herein. No waiver, alteration, or modification of any of the provisions herein shall be binding on any party unless in writing and signed by the party against whom enforcement of such waiver, alteration, or modification is sought. The Statement of Work-Attachment 1, The Payment Schedule-Attachment 2, and Supporting Documentation-Attachment 3, are incorporated by reference herein and made a part hereof.

31. AUTHORITY - The signator hereto represents and warrants that he or she is authorized and empowered and has the legal capacity to execute this Contract and to legally bind CONTRACTOR both in an operational and financial capacity and that the requirements and obligations under this Contract are legally enforceable and binding on CONTRACTOR.

IN WITNESS WHEREOF, the parties to this Contract have caused this Contract to be duly executed on their behalf by their authorized representatives.

SOUTH COAST AIR QUALITY MANAGEMENT DISTRICT

COUNTY OF LOS ANGELES DEPARTMENT OF BEACHES  
AND HARBORS

By: \_\_\_\_\_  
Dr. William A. Burke, Chairman, Governing Board

By: \_\_\_\_\_  
Name: \_\_\_\_\_  
Title: \_\_\_\_\_

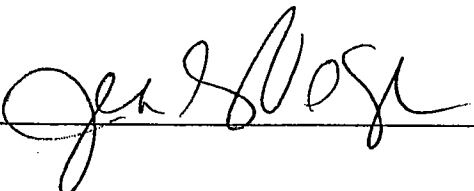
Date: \_\_\_\_\_

Date: \_\_\_\_\_

ATTEST:  
Saundra McDaniel, Clerk of the Board

By: \_\_\_\_\_

APPROVED AS TO FORM:  
Kurt R. Wiese, District Counsel

By:  \_\_\_\_\_

//MSRC04LocalGovtMatch  
Updated 7/29/05

**APPROVED AS TO FORM:**

**RAYMOND G. FORTNER, JR.**  
**County Counsel**

By:  \_\_\_\_\_  
**Deputy**

**Attachment 1  
Statement of Work  
County of Los Angeles, Dept. of Beaches and Harbors  
Hereinafter Referred to as CONTRACTOR  
Contract Number ML05007**

**Project Description**

CONTRACTOR will purchase five medium-duty vehicles as specified below.

**Statement of Work**

Vehicles

CONTRACTOR shall purchase five medium-duty compressed natural gas (CNG) vehicles as follows:

Vehicle	Life Expectancy	Miles Per Year
(5) Pickup trucks, with gross vehicle weight rating of 6,000 pounds or higher, equipped with dedicated CNG engines	8 years each	10,000 each

CONTRACTOR shall be reimbursed for vehicles according to the costs stated in Attachment 2 – Payment Schedule. Engines must be certified to a low-emission or optional NO<sub>x</sub> standard by the California Air Resources Board prior to the release of MSRC funds.

Promotion

CONTRACTOR shall prepare and submit a proposed Public Outreach Plan to promote the acquisition of the MSRC co-funded vehicles. Acceptable outreach may include, but is not limited to, notices in CONTRACTOR mailings to residents, newspaper notices, flyers, and information items at CONTRACTOR Board meetings and community events. The Public Outreach Plan shall automatically be deemed approved 30 days following receipt by AQMD staff, unless AQMD staff notify CONTRACTOR in writing of a Public Outreach Plan deficiency. CONTRACTOR shall implement the approved Public Outreach Plan in accordance with the Project Schedule below.

**Project Schedule (based on date of Contract execution)**

Task	Completion
Order Vehicles	Month 3
Submit Public Outreach Plan	Month 7
Take Delivery and Place Vehicles in Service	Month 10
Implement Public Outreach Plan	Month 11
Interim Report	Month 6
Final Report	Month 12

**Attachment 1**  
**Statement of Work - continued**  
**County of Los Angeles, Dept. of Beaches and Harbors**  
**Hereinafter Referred to as CONTRACTOR**  
**Contract Number ML05007**

**Hardware:** Five CNG-fueled vehicles as listed above.

**Reports**

**Interim Report:** A concise interim report shall be submitted at the approximate halfway point in the overall project schedule. At a minimum, the interim report should address the following topics: tasks completed, issues or problems encountered, resolutions implemented, and progress to date. An interim report that does not comply will be returned to the CONTRACTOR as inadequate.

**Final Report:** A Final Report shall be submitted by the CONTRACTOR in the format provided by AQMD staff. Report shall include, at a minimum: a) an executive summary; and b) a detailed discussion of the results and conclusions at this project. CONTRACTOR will identify any barriers encountered and solutions developed to overcome the barriers, and impact of project on future alternative fuel projects.

In the event the CONTRACTOR files for bankruptcy or becomes insolvent or discontinues this project, the following items revert to the AQMD for disposition into the AB 2766 Discretionary Fund account:

none



**Attachment 2  
Payment Schedule  
County of Los Angeles, Dept. of Beaches and Harbors  
Hereinafter Referred to as CONTRACTOR  
Contract Number ML05007**

**Cost Breakdown**

<b>Purchase Category</b>	<b>Number of Items</b>	<b>AB 2766 Cost per Unit</b>	<b>Total MSRC Costs</b>	<b>Local Gov't Funds Applied</b>	<b>Total Cost</b>
Medium Duty Vehicles (100% match to \$10,000)	5	\$10,000	\$50,000	\$83,969	\$133,969
Heavy Duty Vehicles (100% match to \$20,000)	0	\$20,000	\$0	\$0	\$0
Fueling Station	0	n/a	\$	\$	\$0
<b>Total</b>	n/a	n/a	<b>\$50,000</b>	<b>\$83,969</b>	<b>\$133,969</b>

CONTRACTOR shall be reimbursed according to the amounts stated above per vehicle upon proof of vehicle delivery, vehicle acceptance, and placement of vehicle into service.

If, at the completion of the Project, the vehicle expenditures are less than the Total Cost amount above, the actual amount of AB 2766 Discretionary Funds reimbursed to CONTRACTOR shall be adjusted on a prorated basis, as follows:

- the amount reimbursed to CONTRACTOR shall not exceed 50% of actual vehicle cost, up to a maximum of \$10,000 per medium-duty vehicle and \$20,000 per heavy-duty vehicle.

**Attachment 3  
Supporting Documentation  
County of Los Angeles, Dept. of Beaches and Harbors  
Hereinafter Referred to as CONTRACTOR  
Contract Number ML05007**

The supporting documents attached hereto as Attachment 3, represent obligations of the CONTRACTOR. Nothing herein shall be construed as an assumption of duties or obligations by the AQMD or granting any rights to third parties against the AQMD.

1. Proof of Insurance.



*To enrich lives through effective and caring service*



January 13, 2004

MSRC Contracts Administrator  
South Coast Air Quality Management District  
21865 East Copley Drive  
Diamond Bar, California 91765

Subject: Statement of Self-Insurance

Dear MSRC Contracts Administrator:

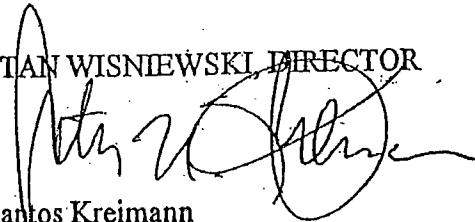
This is to certify that County of Los Angeles self-administers and insures, defends, settles and pays third party claims for bodily injury, personnel injury, death and/or property damage. Protection under this program is warranted to meet or exceed \$1 million, combined Single Limit, per occurrence. Additionally, County of Los Angeles is permissively self-insured for Worker's Compensation under the laws of the State of California.

County of Los Angeles agrees to provide the South Coast Air Quality Management District with thirty (30) days prior written notice of any changes in this program.

If you need any further information regarding this risk-retention program, please contact me at (310) 305-9544.

Sincerely yours,

STAN WISNIEWSKI, DIRECTOR

  
Santos Kreimann  
Risk Management Coordinator